

City of Detroit

CITY COUNCIL

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TO: COUNCILMEMBERS

FROM: Irvin Corley, Jr., Director *ICJ*
Anne Marie Langan, Deputy Director *AME*

DATE: February 12, 2007

RE: Water and Sewerage Departments' High Priority Project changes
between the 2007-08 Capital Agenda and the 2005-06 Capital
Agenda

On Wednesday January 31, Councilmember Watson asked this office to look at the change in high priority capital projects for the Water and Sewerage Department.

The complete 2007-08 Capital Agenda's five-year program totals \$4.24 billion, an increase of \$1.11 billion, or 35.6% over the 2005-06 Capital Agenda that totaled \$3.13 billion. This change mirrors the dollar increase in the Water and Sewerage Departments' capital plan in the 2007-08 Capital Agenda of \$3.027 billion, a \$1.158 billion increase over the 2005-06 Capital Agenda totaling \$1.869 billion. The numbers for Water and Sewerage fluctuate every Capital Agenda based on the number of revenue bonds the department plans to sell, based on current capital needs. All capital infrastructure in the Water and Sewerage departments is funded through revenue bonds, which are only planned to be sold on an as-needed basis, since the sales will affect the rates.

We were asked to look at the changes in high priority projects as listed by both Water and Sewerage. Because the actual list of capital projects done by the departments is so lengthy, they have only listed a summarized roll up of the various project categories. The dollar figure roll-up for the high priority projects is not identical to the actual funding requested in the capital agenda. The figures are not that far apart, but the Budget Department does not rely on the high priority project list for the numbers in the charts.

The Water Department's high priority project value increased 2% from the 2005-06 Capital Agenda of \$1.22 billion to the 2007-08 Capital Agenda of \$1.253 billion.

The Sewerage Department's high priority project value decreased by 13.6% from the 2005-06 Capital Agenda of \$1.955 billion to the 2007-08 Capital Agenda of \$1.688 billion.

Let us know if additional information is necessary.

Attachments

cc: Council Divisions
Auditor General
Victor Mercado, DWSD
Renee Short, Budget Department
Kandia Milton, Mayor's Office

WATER

Summary of Water Supply System - High Priority Projects

<u>Project Category</u>	<u>Projected Cost</u>
Metro Area Construction (MAC): Projects involving the construction or replacement of water mains, pump stations and reservoirs outside of the City of Detroit	\$ 187,826,000
Urban System Improvements (USI): Projects involving the construction or replacement of water mains inside of the City of Detroit	146,196,400
Mechanical Maintenance (MM): Projects relating to the purchase and installation of major metering equipment, and replacement of in-ground and above ground vehicle hoist	77,104,000
Computer Systems (CS): Projects involving computerized instrumentation and control systems	11,086,000
Plant Replacement and Renovation: Rehabilitation and improvement projects related to the following:	
General Plant (GP) - Projects common to all or a number of water plants and/or pumping stations	49,999,000
Water Works Park (WWP) – Rehabilitation and/or renovation work at Water Works Park Plant	13,000,000
Springwells Plant (SP) – Rehabilitation and/or renovation work at Springwells Water Plant	353,462,000
Northeast Plant (NE) – Rehabilitation and/or renovation work at Northeast Plant	179,168,000
Southwest Plant (SW) – Rehabilitation and/or renovation work at Southwest Plant	103,273,000
Lake Huron (LH) – Rehabilitation and/or renovation work at Lake Huron Water Plant	15,013,000
Pumping Stations and Reservoirs (PSR): Rehabilitation and/or renovation work at various reservoirs pumping stations, and constructing new pumping stations	<u>117,750,000</u>
Water Supply System High Priority Projects – Total	<u>\$1,253,877,400</u>

SEWERAGE

Summary of Sewage Disposal System - High Priority Projects

<u>Project Category</u>	<u>Projected Cost</u>
Primary Treatment - Wastewater Treatment Plant (PT): Projects involving rehabilitation/renovations of the primary treatment system	\$ 76,597,000
Secondary Treatment - Wastewater Treatment Plant (ST): Projects involving rehabilitation/renovations of the secondary treatment system	45,391,000
Solids Handling - Wastewater Treatment Plant (SH): Includes various expenditures to meet air quality	136,881,000
Disinfection - Wastewater Treatment Plant (D): Projects involving the disinfection facilities at the Detroit/Rouge River outfalls	106,500,000
General Purpose - Wastewater Treatment Plant (GP): Includes various design/construction projects benefiting the entire WWTP process	95,007,000
Sewer Interceptor System (SIS): Projects relating to the interceptor sewer system	4,389,000
Combined Sewer System (CSS): Projects relating to the storage/discharge/control of the combined storm and sanitary sewage system	1,016,202,000
Lateral Sewer Replacement (LSR): Projects relating to the replacement or relining of lateral sewers in the City of Detroit	130,892,000
Planning and Administration (PA): Projects relating to the improved management and administration of the Sewage Disposal System	77,104,000
Total Sewerage System Projects - High Priorities	<u>\$ 1,688,963,000</u>

WATER

WATER SUPPLY SYSTEM - PROPOSED FIVE YEAR CAPITAL PLAN

Summary of Water Supply System Highest Priority Projects

Project Category	Projected Cost
Metro Area Construction (MAC): projects involving the construction or replacement of water mains, pump stations and reservoirs outside of the City of Detroit	\$ 70,976,000
Urban System Improvements (USI): projects involving the construction or replacement of water mains inside of the City of Detroit	155,747,000
Mechanical Maintenance (MM): projects relating to the purchase of major metering equipment, development/construction/rehabilitation of water metering facilities, and rebuilding of major pumps, motors, and valves	97,500,000
Computer Systems (CS): projects involving computerized instrumentation and control systems	89,444,002
Plant Renovation and Replacement: rehabilitation and improvement projects related to the following:	
General Plant (GP) - projects common to all or a number of water plants and/or pumping stations	92,472,000
Water Works Park (WWP) – rehabilitation and/or renovation work at Water Works Park Plant	5,000,000
Springwells Plant (SP) – rehabilitation and/or renovation work at Springwells Water Plant	366,471,000
Northeast Plant (NE) – rehabilitation and/or renovation work at Northeast Plant	166,456,000
Southwest Plant (SW) – rehabilitation and/or renovation work at Southwest Plant	58,580,000
Lake Huron (LH) – rehabilitation and/or renovation work at Lake Huron Water Plant	20,163,000
Pumping Stations and Reservoirs (PSR) – rehabilitation and/or renovation work at various reservoirs pumping stations	<u>105,021,000</u>
Water Supply System Highest Priority Projects – Total	<u>\$1,227,830,002</u>

SEWERAGE

Summary of Sewage Disposal System Highest Priority Projects

<u>Project Category</u>	<u>Projected Cost</u>
Primary Treatment - Wastewater Treatment Plant (PT): projects involving rehabilitation/renovations of the primary treatment system	\$ 64,621,000
Secondary Treatment - Wastewater Treatment Plant (ST): projects involving rehabilitation/renovations of the secondary treatment system	35,066,000
Solids Handling - Wastewater Treatment Plant (SH): includes various expenditures to meet air quality	154,026,000
Disinfection - Wastewater Treatment Plant (D): projects involving the disinfection facilities at the Detroit/Rouge River outfalls	3,320,000
General Purpose - Wastewater Treatment Plant (GP): includes various design/construction projects benefiting the entire WWTP process	175,668,000
Sewer Interceptor System (SIS): projects relating to the interceptor sewer system	5,500,000
Combined Sewer System (CSS): projects relating to the storage/discharge/control of the combined storm and sanitary sewage system	1,308,003,000
Lateral Sewer Replacement (LSR): projects relating to the replacement or relining of lateral sewers in the City of Detroit	50,410,000
Planning and Administration (PA): projects relating to the improved management and administration of the Sewage Disposal System	158,462,000
Total Sewerage System Projects - Highest Priorities	<u>\$ 1,955,076,000</u>

WEDNESDAY, JANUARY 31, 2007 - LINE ITEM NO. 31 - DG

RE: STATUS OF PROPOSED FIVE-YEAR CAPITAL AGENDA FOR FY 2007-08
THROUGH 2011-12

CLERK'S SUMMARY DISPOSITION: BRING BACK ON MONDAY; REFER
COUNCIL MEMBER JOANN WATSON'S QUESTIONS TO FISCAL ANALYSIS
DIVISION

CONYERS: WE'LL BRING THIS BACK ON MONDAY.

WATSON: I'd like to know if Mr. Corley can respond to what is 165% increase from the Capital Agenda from two years ago for high-priority projects and which high-priority projects which were listed two years ago are still listed?

CORLEY: I think about every couple of years there's an increase in the amount of bonds that are sold for the Water & Sewerage Department and I believe that's where the big increase is at. But I will take a look at that for you.

WATSON: But I want to know specifically which did not get funded and what's the balance? It's a slippery slope dealing with this Capital improvement business. If it's not monitored by us and our designees, you could be approving the same thing over and over again. I want it clearly articulated in writing what got approved two years ago that has not been funded. And there's been 165% increase in the Capital Agenda requests this year. That's huge. I know things have gone up, but I don't believe there's been 165% challenge to the Water Department and it's worth. I'd like to have that in writing.

TODD: I believe that you've actually received a report from the Planning Commission, the other reports having listed here are part and parcel of the response that will come from under cover of letter from the Planning & Development Department in response to the resolution that you passed last Friday. I believe the primary reason for this line item coming back is due to Council Member Watson's request in terms having an additional hearing wherein Council would have an opportunity to get even more input from the citizens. So that hearing has been tentatively scheduled for February 22 at 11:30.

WATSON: I appreciate Mr. Todd's statement, but one of the concerns I raised last week about this capital agenda business hit home with me this week. I happened to have attended a meeting that was talking about the redevelopment of downtown Detroit and City Council was not formally advised of the meeting. I read it in the paper and went to the Gem Theater and there were five plans presented on the retrofitting of the infrastructure of downtown Detroit. And one of the things that was laid out is the need for broader transit, a light rail, which we talk about. We talked about it with the capital agenda and there was some discussion about why there needs to be more vision and more advocacy by this legislative body with respect to transportation. This capital agenda must prioritize mass transit. We're the only major city in the United States that does not have it. We must have it. And I expect all of you who get paid by us to help champion it. A resolution should be coming from all of the leadership, staff and elective. We had city

representatives there from the Mayor's Office, but there was nobody there from the Legislative Branch other than me and I read about it in the paper. There should have been an official there because the City was identified as a sponsor of this major event. There were experts from Ann Arbor, from Portland Oregon, from New York, from Pennsylvania, from Atlanta all talking about how to redesign downtown Detroit. Planning & Development was there, the Mayor's Office was there, Economic Growth was there, but City Council was not there. I did see one staff person from City Planning Commission and I beat him up for not letting us know. But there needs to be a rigging of the dots between the capital agenda before all the i's get dotted and the t's get crossed so that we can join the 21st Century with transportation.

COLLINS: We were told that if we approve this, we'll have 30 days to amend it. So what Member Watson is asking for is simply an amendment and what we need is to find out, Mr. Corley, where we need to amend the language to make the mass and rapid transit. I think the article said it was about the Woodward Corridor connecting the New Center Area with the Downtown area.

WATSON: There was also a discussion about Michigan Avenue, which already has a right-of-way and Michigan runs through Ypsilanti and Ann Arbor...

COLLINS: So if you could get with Ms. Watson and see which streets that she wants prioritized for the rapid transit and put it in the capital agenda. I agree with her on how can you have a capital agenda and not have rapid transit. **MR. TODD, DO WE NEED TO VOTE ON THAT RESOLUTION, HOW DO WE AMEND THE CAPITAL AGENDA?**

TODD: The 30 day period that commenced with your action last week to assign the Planning & Development Department with the opportunity to formally respond to everything that was submitting to them. Also during that period Council has indicated, here at the table this morning and work on, through the staff, these things that you've prioritized and we have been working on the very things that you've set forward. We will put a nice bow on the whole package in about 30 days and we will present to you the work of the additional staff along with that from the Planning & Development Department.

COLLINS: Is there a time limit for them to insert it?

TODD: There is no time limit per se for them to insert it. What Council approves by the 1st of March...

COLLINS: Is automatically put in?

TODD: Exactly. And what has happened in the past, however, is that there has not been a final document prepared and that has been a contention of the Planning Commission. But it will actually prepare a final document in electronic form that can be printed and will contain all the components of the approved documents.

COLLINS: I'd like to ask Ms. Watson if she'll consider adding Gratiot Avenue.

WATSON: Yes, it already has a right-of-way. And **IF WE COULD SCHEDULE AND TRY**

TO GET SOME OF THOSE FOLKS WHO MADE THIS PRESENTATION AT THE GEM THEATER TO MAKE A PRESENTATION BEFORE CITY COUNCIL, BECAUSE MR. JACKSON SAID AT THE END OF THE MEETING THE NEXT STEPS WERE TO GET BUY-IN ON ALL THE PIECES FROM THE EXECUTIVE BRANCH AND THE LEGISLATIVE BRANCH so that the tail is not wagging the dog.

CORLEY: Also this morning I submitted our report that we did in 1995 on the Veterans' Memorial Building projects. I know Ms. Collins had asked for that.

B. Westbrook